

## **Assembly Bill No. 1325**

### **CHAPTER 921**

An act to amend Sections 82002, 82039, and 86116 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor October 14, 2001. Filed  
with Secretary of State October 14, 2001.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1325, Negrete McLeod. Political Reform Act of 1974: lobbyists: Public Utilities Commission: payments to influence legislative or administrative action.

Existing provisions of the Political Reform Act of 1974 generally define "administrative action," to mean, among other things, the proposal, enactment, or defeat of a state agency regulation in any ratemaking proceeding or any quasi-legislative proceeding.

This bill would define "ratemaking" and "quasi-legislative proceeding," as specified, for purposes of proceedings before the Public Utilities Commission (PUC).

Existing provisions of the act generally define a "lobbyist" as an individual who receives \$2,000 or more in a calendar month or whose principal duties are to communicate directly or through agents with an elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative action.

This bill would provide that a proceeding before the PUC constitutes "administrative action" for purposes of this provision if the proceeding is a "ratemaking proceeding" or a "quasi-legislative proceeding" as defined by this bill, except as specified.

Existing provisions of the act define a "payment to influence legislative or administrative action" as including specified types of payment.

Existing law requires a lobbyist employer and any person who makes payments to influence legislative or administrative action of \$5,000 or more in a calendar quarter to file periodic lobbying reports disclosing specified items of information, including overhead expenses and payments to employees who spend 10% or more of their compensated time in lobbying activities in any one month.

This bill would provide that, in lieu of reporting those payments, a filer that makes payments to influence a ratemaking or quasi-legislative proceeding before the PUC may report only the portion of payments that are made to or for time spent by the filer's attorneys or witnesses in

appearing, testifying, or preparing to appear or testify in that type of proceeding before the commission, except as specified.

Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these penalties on persons who violate the provisions of this bill.

This bill would also make technical, nonsubstantive changes.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements. Proposition 208, an initiative measure approved by the voters at the November 5, 1996, statewide general election, makes the amendment provisions of the Political Reform Act applicable to the amendment of that initiative measure. Proposition 208, however, has been generally superseded by Proposition 34, approved by the voters at the November 7, 2000, statewide general election, with the exception of certain provisions, one of which is amended by this bill.

This bill, which would declare that it furthers the purposes of the Political Reform Act of 1974 and Proposition 208, would therefore require a  $\frac{2}{3}$  vote.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 82002 of the Government Code is amended to read:

82002. (a) "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment, or defeat by any state agency of any rule, regulation, or other action in any ratemaking proceeding or any quasi-legislative proceeding, which shall include any proceeding governed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(b) "Ratemaking proceeding" means, for the purposes of a proceeding before the Public Utilities Commission, any proceeding in which it is reasonably foreseeable that a rate will be established, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.



(c) “Quasi-legislative proceeding” means, for purposes of a proceeding before the Public Utilities Commission, any proceeding that involves consideration of the establishment of a policy that will apply generally to a group or class of persons including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry.

SEC. 2. Section 82039 of the Government Code is amended to read:

82039. (a) “Lobbyist” means any individual who receives two thousand dollars (\$2,000) or more in economic consideration in a calendar month, other than reimbursement for reasonable travel expenses, or whose principal duties as an employee are, to communicate directly or through his or her agents with any elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative action. An individual is not a lobbyist by reason of activities described in Section 86300.

(b) For the purposes of subdivision (a), a proceeding before the Public Utilities Commission constitutes “administrative action” if it meets any of the definitions set forth in subdivision (b) or (c) of Section 82002. However, a communication made for the purpose of influencing this type of Public Utilities Commission proceeding is not within subdivision (a) if the communication is made at a public hearing, public workshop or other public forum that is part of the proceeding, or if the communication is included in the official record of the proceeding.

SEC. 3. Section 86116 of the Government Code is amended to read:

86116. Every person described in Section 86115 shall file periodic reports containing the following information:

(a) The name, business address, and telephone number of the lobbyist employer or other person filing the report.

(b) The total amount of payments to each lobbying firm.

(c) The total amount of all payments to lobbyists employed by the filer.

(d) A description of the specific lobbying interests of the filer.

(e) A periodic report completed and verified by each lobbyist employed by a lobbyist employer pursuant to Section 86113.

(f) Each activity expense of the filer. A total of all activity expenses of the filer shall be included.

(g) The date, amount, and the name of the recipient of any contribution of one hundred dollars (\$100) or more made by the filer to an elected state officer, a state candidate, or a committee controlled by an elected state officer or state candidate, or a committee primarily formed to support the officer or candidate. If this contribution is reported by the filer or by a committee sponsored by the filer in a campaign statement filed pursuant to Chapter 4 which is required to be filed with



the Secretary of State, the filer may report only the name of the committee, and the identification number of the committee.

(h) (1) Except as set forth in paragraph (2), the total of all other payments to influence legislative or administrative action including overhead expenses and all payments to employees who spend 10 percent or more of their compensated time in any one month in activities related to influencing legislative or administrative action.

(2) A filer that makes payments to influence a ratemaking or quasi-legislative proceeding before the Public Utilities Commission, as defined in subdivision (b) or (c), respectively, of Section 82002, may, in lieu of reporting those payments pursuant to paragraph (1), report only the portion of those payments made to or for the filer's attorneys for time spent appearing as counsel and preparing to appear as counsel, or to or for the filer's witnesses for time spent testifying and preparing to testify, in this type of Public Utilities Commission proceeding. This alternative reporting of these payments made during a calendar month is not required to include payments made to an attorney or witness who is an employee of the filer if less than 10 percent of his or her compensated time in that month was spent in appearing, testifying, or preparing to appear or testify before the Public Utilities Commission in a ratemaking or quasi-legislative proceeding. For the purposes of this paragraph, time spent preparing to appear or preparing to testify does not include time spent preparing written testimony.

(i) Any other information required by the commission consistent with the purposes and provisions of this chapter.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5. The Legislature finds and declares that the provisions of this act further the purposes of both the Political Reform Act of 1974 and Proposition 208 of the 1996 statewide general election within the meaning of subdivision (a) of Section 81012 of the Government Code and Section 45 of that measure.

